

# GARDINER FOUNDATION

## FINAL REPORT

### **Project Information**

Project Number: CDP-SP06-001

Project Title: Co-operative Development and Training for the Victorian Dairy Industry

Date of Final Report: 18<sup>th</sup> June 2008

Commencement Date of project: 5<sup>th</sup> September 2006

Completion Date of project: 18<sup>th</sup> June 2008

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## **Executive Summary:**

This project's aim was to develop co-operative leaders' ability to understand the value of their co-operative organisations, and to then extend this understanding to the broader dairy community.

It consisted of two phases. The first phase being two workshops, one for directors and senior management of Murray Goulburn Co-operative Company Ltd. (Australia's biggest dairy co-operative) and the second for directors and senior management from a range of other dairy industry related co-operatives and other organisations. These workshops were conducted, very successfully, in September 2006.

The second phase of the project was to be a further six workshops conducted regionally. These would be aimed at dairy farmers and other individuals with an interest in Victoria's dairy industry. As reported in our Interim Report to the Foundation in January 2007, the ongoing drought made it very difficult to organise and conduct these regional events. Eventually the suggestion was made to alter the strategy of regional workshops as a follow-up to the Phase one workshops, to the development of an online training module "Understanding Co-operatives and Co-operation". The self-learning program could be included on a number of dairy industry organisation's websites. This approach also had the advantage of producing something more permanent than one-off workshops. Development of the online module has been completed and about to be included onto the Murray Goulburn Co-op Company website, thereby making it available to their 3000 individual dairy farmer members. We anticipate the module will be linked to a number of other websites including the Victorian Farmers Federation.

We are delighted with the outcome of the Project. The initial workshops were well attended and have resulted in Murray Goulburn extending them to their Field Staff. Some co-operatives represented at the Open workshop have commenced discussions with the Co-operative College, requesting similar programs. The online training module may prove to be an unforeseen positive outcome of the Project, because of its more permanent and adaptable nature. It also has the potential to reach a much bigger audience than the originally planned regional workshops.

## **Background:**

Against a background of the loss of a number of dairy industry co-operatives in recent times, the Project was an attempt to address the existing lack of understanding of the important role that co-operatives have played, and can continue to play, in the economic well being of rural Victorians. The starting point was with existing co-operative leaders, particularly dairy industry leaders, enabling them to be able to articulate the benefits that co-operatives both provide, and can continue to provide, to dairying communities in Victoria.

## **Objectives:**

Develop co-operative leaders' ability to understand the value of their organisations.

To extend that knowledge and understanding to the broader dairying community.

## **Projects Results:**

### **Phase 1. Initial workshops for leading co-operative directors and senior management**

Murray Goulburn Co-operative Company Ltd. “Co-operative Identity – Our Values, Principles and Future” held at MG Integrated Logistics Centre, 5-6 September 2006.

This two-day workshop was attended by 26 directors, executive managers and invited MG members. The results of the participant survey were extremely encouraging. The workshop received an overall positive rating of 82% and in response to the question “Would others benefit from this workshop” 25 participants answered Yes.

Open Program “Co-operatives Creating Value for the Dairy Industry and Rural Communities” held at MG Integrated Logistics Centre, 7 September 2006.

This one-day workshop was attended by 36 participants, representing 9 co-operatives and 3 dairy industry organisations. The results of the participants survey were again encouraging. This workshop received an overall positive rating of 76% and in response to the question “Would others benefit from this workshop” 31 participants answered Yes.

The action-planning phase of both workshops produced a range of commitments from individual participants.

### **Phase 2. Online training module “Understanding Co-operatives and Co-operation”**

As previously mentioned, the ongoing drought in Victoria made it extremely difficult to complete Phase 2 of the Project and this was subsequently varied with the agreement of Murray Goulburn Co-operative and the Gardiner Foundation to the development of an online training program “Understanding Co-operatives and Co-operation.” The module developed takes the participant through a number of sections and includes review questions at the conclusion of each section. The program concludes with a Knowledge Test. Participants may enter and leave the program at any stage, but are encouraged to work their way through it in the order presented. It takes approximately one hour to fully complete the program.

The module will shortly be available to all Murray Goulburn members via their website, and available on the Co-operative Federation of Victoria website. Discussions are continuing with the UDV in terms of that organization including the module on their website. It is also envisaged that the module may be included on websites of other dairy industry co-operatives, such as Genetics Australia and Herd Improvement Co-operative Ltd.

As a result of the success of the initial workshop, Murray Goulburn Co-operative Company have agreed to conduct the Co-operative Identity workshop for their Field Staff during July 2008. Interestingly, a direct result of the initial MG workshop is the “Co-operative Way” column in MG’s member newspaper, The Devondaler, contributed each month by the Co-operative Federation Deputy Chairman, Graeme Charles. This column discusses a range of co-operative specific issues and is presumably read by a high proportion of MG members as well as others.

**Discussion:**

The results of the Project are an increased awareness and understanding of the difference and value of co-operatives within the dairy industry in Victoria. This is of extreme importance against a background of significant co-operatives disappearing from the industry in more recent years. There has been a view expressed by many industry commentators and observers that the co-operative model of business is no longer relevant. The general lack of understanding of the co-operative difference, and the role they fulfil in the market place, has allowed this view to gather increased currency. Now we have given a number of significant leaders the knowledge and importantly, the reassurance, that co-operatives are indeed relevant and can continue to serve farmers and farming communities well.

**Summary of the benefits to the dairy industry:**

We would argue strongly, that the continued presence of co-operatives within the dairy industry is crucial to the future prosperity of dairy farmers. In Victoria we have now reached the stage where MG is the last major dairy processor owned and controlled by its supplier members. The Project has strengthened the resolve of several key leaders to ensure that Murray Goulburn remain a Co-operative Company, owned and controlled by its supplier members.

Should Murray Goulburn cease to exist as a co-operative company, Victorian dairy farmers will find themselves in a situation whereby they will have little or no control over their destinies. Such a scenario will be the same scenario that existed when Australia's first dairy co-operatives were formed in response to the practices of unscrupulous processors.

Because of the value and principles that inform a co-operative's operations, they always strive to provide both economic and social benefit to their members and communities.

**Implications for the broader dairy community:**

The obvious implication for the broader dairy community is that the understanding and knowledge gained through this project will enable dairy communities to properly consider the co-operative option, wherever and whenever applicable.

**Communication:**

The development of the online training module is in itself a form of communication. We anticipate that the module will gradually be picked up by a range of dairy industry and other rural-based organisations, thereby broadening the extent of the project.

**Certification:**

The Project Leader certifies that all the information in this report is complete, accurate and provided in good faith at the date given.

Project Leader’s Signature:.....

Name: Graeme Charles.....

Date:...18<sup>th</sup> June 2008.....